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Blue Ribbon

CORPORATION LIMITED



ANNUAL REPORT
AND
CONSOLIDATED BALANCE SHEET

AT 30th JUNE, 1955

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Blue Ribbon Corporation Limited

BOARD of DIRECTORS

S. W. HOARE L. G. KEITH J. B. BRYDON
W. T. KENNEDY G. T. F. HILLIER

President

S. W. HOARE

Secretary-Treasurer

L. G. KEITH

Bankers

THE CANADIAN BANK OF COMMERCE

Transfer Agent

THE TORONTO GENERAL TRUSTS CORPORATION

Registrar

NATIONAL TRUST COMPANY, LIMITED

Auditors

CLARKSON, GORDON & Co.

DIRECTORS' REPORT

Winnipeg, Canada, September 27, 1955

TO THE SHAREHOLDERS OF
BLUE RIBBON CORPORATION LIMITED:

Your Directors submit the Consolidated Balance Sheet of the Company and Consolidated Statements of Earned Surplus and Profit and Loss for the year ended 30th June, 1955.

The Statement of Consolidated Profit and Loss shows a net loss of \$235,724 for the year after charging all expenses, including depreciation amounting to \$108,251 on Fixed Assets. The net loss for the year has been charged to Earned Surplus Account.

During the year the regular quarterly dividends were declared and paid on the 5% Cumulative Convertible Redeemable Participating Preferred Stock.

The trading loss for the year of \$235,724 compares with a loss of \$16,527 for the year ended 30th June, 1954. Unfortunately, the difficulties experienced in the previous year continued to prevail and in fact, were greatly accentuated during the year just closed.

In our previous report, comment was made on the state of the coffee markets. Following immediately upon record high coffee prices, which had re-acted against sales volume, market prices slumped. Immediate reductions in prices at consumer level resulted in severe stock losses. A similar and quite unprecedented situation developed in the tea markets. A combination of like conditions in the marketing of your Company's two main commodities, tea and coffee, has resulted in these substantial losses.

There are now indications of a return to more settled commodity markets. With lower prices to the consumer, particularly in coffee, sales volume is recovering. Your Directors hope that these improved conditions, together with steps taken to effect economies generally, will result in an improvement in earnings over the year just concluded.

Submitted on behalf of the Board of Directors.

S. W. HOARE,
President.

Blue Ribbon Co
AND SUBSIDIARIES
(Incorporated under the

CONSOLIDATED

June 30, 1955

ASSETS

CURRENT:

Cash	\$ 87,805
Accounts receivable, less allowance for doubtful accounts	713,349
Inventories of merchandise and supplies as certified by the management, determined on the basis of physical count and valued at cost or under	2,565,126
Prepaid expenses	123,997
Investment in shares of customer company, less allowance	\$3,490,277
	5,813

FIXED:

Land, buildings, machinery and equipment—	
In Western Canada—as appraised by Sterling Appraisal Co. Ltd.—1928	
In Ontario—appraised by Wesley E. Barker and by Canadian Appraisal Co. Ltd.—1924	
Plus subsequent additions at cost	\$1,972,528
Less accumulated depreciation	1,131,388
Trade-marks, patent rights and goodwill	841,140
	1
	<u>\$4,337,231</u>

On behalf of the Board,

S. W. HOARE, Director

L. G. KEITH, Director

To the Shareholders of

Blue Ribbon Corporation Limited.

AUDITOR

We have examined the consolidated balance sheet of Blue Ribbon Corporation of consolidated profit and loss and consolidated earned surplus for the year ended September 30, 1955, and the consolidated statement of financial position required. Our examination included a general review of the accounting procedures considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and statement of financial position drawn up so as to exhibit a true and correct view of the state of the affairs of the corporation as at the end of that date, according to the best of our information and the explanation

Winnipeg, Canada, September 7, 1955.

Corporation Limited
RY COMPANIES
(Companies Act, Canada)

BALANCE SHEET

0, 1955

LIABILITIES

CURRENT:

Bank overdraft	\$ 349,148
Accounts and bills payable	1,416,727
	<u>\$1,765,875</u>

CAPITAL STOCK:

Authorized—

27,207 shares of 5% cumulative convertible
redeemable participating preferred stock of
\$50.00 each

\$1,360,350

150,000 common shares of no par value.

Issued and fully paid—

17,057 preferred shares of \$50.00 each

\$ 852,850

65,000 common shares of no par value

859,226

\$1,712,076

RESERVES AND SURPLUS:

Reserve against future decline in inven-
tory values

\$675,000

Reserve for replacement of fixed assets ..

150,000

Surplus arising from the sale of fixed assets ..

1,475

826,475

Earned surplus

32,805

2,571,356

\$4,337,231

CONTINGENT LIABILITIES:

(a) Commitments for forward delivery of Sterl-
ing and U.S. dollar exchange at cost of ..

\$1,014,272

(b) Employees' pension plan—balance of contri-
butions in respect of past service

43,821

S' REPORT

Corporation Limited and subsidiary companies as at June 30, 1955 and the statements
on that date and have obtained all the information and explanations we have
and such tests of accounting records and other supporting evidence as we

ments of consolidated profit and loss and consolidated earned surplus are properly
the companies as at June 30, 1955 and the results of their operations for the year
ions given to us and as shown by the books of the companies.

(Signed) CLARKSON, GORDON & CO.,
Chartered Accountants.

Blue Ribbon Corporation Limited

AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

For the Year Ended June 30, 1955

Loss for the year before adding the undernoted items	\$ 76,470
ADD:	
Depreciation—buildings, machinery and equipment	\$108,251
Remuneration of directors and officers	50,483
Legal fees	520
	<u>159,254</u>
Loss for the year carried to statement of consolidated earned surplus	<u>\$235,724</u>

STATEMENT OF CONSOLIDATED EARNED SURPLUS

For the Year Ended June 30, 1955

Balance at credit June 30, 1954	\$306,060
Adjustment of prior year's income taxes	5,111
	<u>\$311,171</u>
DEDUCT:	
Dividends declared on preferred shares	\$ 42,642
Loss for the year transferred from statement of consolidated profit and loss	235,724
	<u>278,366</u>
Balance at credit June 30, 1955	<u>\$ 32,805</u>

Blue Ribbon Limited

OFFICES

WINNIPEG	334 McDermot Avenue
TORONTO	381 College Street
VANCOUVER	1043 West Hastings Street

PLANTS

WINNIPEG	334 McDermot Avenue
TORONTO	381 College Street
EDMONTON	9908—65th Avenue
VANCOUVER	1043 West Hastings Street

AGENTS

MONTREAL	Brooke Bond Canada Limited
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BUYING OFFICES

LONDON, ENGLAND

CALCUTTA AND COIMBATORE, INDIA

COLOMBO, CEYLON

KERICHO, KENYA

BATAVIA, JAVA

